

EXHIBIT A

In the Matter of:

TOWNSTONE FINANCIAL, INC.

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The statement of BARRY STURNER, taken
before MAUREEN A. WOODMAN, a Certified
Shorthand Reporter and Notary Public in and for
the County of Cook and State of Illinois, at
the John C. Kluczynski Building, 230 South
Dearborn Street, Chicago, Illinois, on July
16th, 2018, at the hour of 9:10 o'clock a.m.

1 printout from the Townstone website. Do you
2 recognize this?

3 A. This is recent? No, this is from when
4 David Hochberg was running it. Can you find
5 this on there still? This is not any recent
6 information. This is when David Hochberg was
7 running the show. These are his show experts.
8 None of these people are currently, since David
9 left, with Townstone Financial, nor do they do
10 any business with us. Other than maybe Scott
11 Mazel at the end there, who happens to be a
12 personal friend of mine.

13 Q. What were these folks doing with
14 Mr. Hochberg?

15 A. Individually you want me to go over
16 each one or just in general, just looking at it
17 in general?

18 Q. General would be helpful to start.

19 A. Absolutely. When we were having the
20 radio show, in order to pay for the radio show,
21 one of the goals always was to get some real
22 estate agents, I believe he's got a bankruptcy
23 expert here, commercial mortgage person. It's
24 a two-prong thing. Number one, if you are
25 listening a radio show, it is a free radio show

1 aggressive getting loan officers in years and
2 years and years.

3 Q. And who is the last new loan officer
4 that Townstone hired?

5 A. Mark Christiansen.

6 Q. And was that someone who reached out
7 to you, or was that someone that you decided to
8 hire?

9 A. He happened to be a former employee of
10 Mr. Ira Schwartz back in 2000, I think was the
11 last time he was a loan officer.

12 Q. And do many of your loan officers come
13 to you through other loan officers and
14 established relationships within Townstone?

15 A. I haven't had hardly any new loan
16 officers in an extended period of time.

17 Most of the loan officers that we
18 would get in previous years would come from a
19 referral from somebody that we knew.

20 Q. So when someone is referred to by
21 someone existing to become a loan officer or
22 someone reached out unsolicited, what then is
23 the process for hiring like?

24 A. Generally speaking, I come in and talk
25 to them. We'll go eat some lunch. Talk about

1 their business and see if it's a fit for both
2 people.

3 Q. And is there -- is there any general
4 advertising Townstone has ever done for a loan
5 officer position where you put out calls for
6 loan officers?

7 A. Haven't done that in a number of
8 years.

9 Q. Do you recall the last time you did
10 that was?

11 A. No, sir.

12 Q. Do you recall how you put out the
13 word? If you took out an advertisement
14 someplace, if you just sort of made known by
15 word of mouth?

16 A. Generally speaking, it would be by
17 word of mouth. I don't recall putting any ads
18 back when we put ads in newspapers or online
19 for a loan officer in an extended period of
20 time.

21 Q. And who are the people with whom you
22 would get word out, if you wanted to hire a new
23 loan officer at the time, you hired a new loan
24 officer in the past?

25 A. Mostly, generally speaking, the reps

1 that we deal with from the investors that we
2 deal with, the mortgage insurance companies.
3 Those people are out and about, conferences
4 things of that nature that they all go to.
5 They know who's -- they have their fingers on
6 the pulse of who is leaving, who is unhappy,
7 who may be a good fit for you. They know our
8 business. They know the loan officers. So
9 that's always helpful.

10 Q. So if I can sort of summarize the
11 process to be sure I understand it. Either
12 someone will reach out to you unsolicited as a
13 loan officer, or you will have referral that
14 connects you to someone that's a loan officer,
15 you will then potentially bring that person
16 into the office and talk with them and see if
17 there's a fit. Do I have that process right?

18 A. Correct.

19 Q. And is that sort of interview that you
20 do with them, is that like a formal and
21 structured process or sort of an informal
22 conversation to see whether there is a fit
23 there?

24 A. Very informal, very unstructured.

25 Q. And what kinds of questions do you ask

1 Jose, you speak Spanish. Your sister is
2 Hispanic, your mom, dad, whole family, let's
3 get some more.

4 No different than me saying to
5 Zach Schwartz, your family over here, you got
6 your whole family, why aren't they giving us
7 loans.

8 Friends and family is what we
9 talk about all the time. It should be the
10 basis of your business. Once you get your
11 friends and family, it should extend outward.

12 So we talk about that all the
13 time. But not on the basis of where you're
14 talking about, trying to almost hit a business
15 model, as Mr. Herman was asking. Just not
16 sophisticated enough, I guess, to think in
17 those terms.

18 Q. You mentioned earlier Townstone hasn't
19 had specifically African American loan
20 officers; do I have that right?

21 A. I was trying to think when I just went
22 to the restroom, and that would be really
23 shocking to me. Since -- in 2002 when we
24 started, you could hire them off the street.
25 So -- and there were quite a few hired off the

1 Q. Ten to fifteen minutes?

2 A. Yeah. We started doing the podcast,
3 and it was 40, 50, 60 minutes, and we found out
4 that when people are listening to podcasts,
5 they told us, friends, family, that ten was
6 enough of us.

7 Q. And would you say you get more
8 referrals from the radio show or the podcast?
9 Is it possible to tell?

10 A. Don't track it that way.

11 Q. How do you create content for the
12 radio show and the podcast?

13 A. I read a lot. We talk about kind of
14 reality TV. We talk about what happened during
15 the week. We talk about borrowers' issues that
16 they have, things that we solve. Try to get
17 people who have similar problems getting loans
18 refinanced so that they can relate to someone
19 else's problem. Debt problem. Trying to
20 purchase a house or things like that.

21 We kind of just talk about what's
22 really happened in the office there. And then
23 we have experts come on and they bring
24 different things to the show.

25 Q. Do you get together before the show

1 incident?

2 A. That's what we were speaking of,
3 absolutely.

4 MR. HERMAN: Can we play back a larger
5 clip?

6 MR. MORROW: Yes.

7 (PLAYING AUDIO.)

8 THE WITNESS: I'm good.

9 (PLAYING AUDIO.)

10 BY MR. HERMAN:

11 Q. So the comment sounded broader than
12 simply referring to that incident.

13 A. I'm speaking about the police officers
14 that I play hockey with. That's what I'm
15 talking about right there.

16 Q. You said Friday through Sunday it's
17 hoodlum weekend.

18 A. Listen to what I'm saying. I'm
19 talking about what they're saying. They're
20 calling it hoodlum weekend. I'm talking about
21 the police officers that I am friends with and
22 that's what they were saying.

23 Q. Okay. And what does that mean?

24 A. Ask them. I was repeating what they
25 said to me.